



STATE OF WASHINGTON

DEPARTMENT OF RETIREMENT SYSTEMS

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December 8, 2004

Mr. Steve Nelsen
Executive Director
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board
Post Office Box 40918
Olympia, Washington 98504-0918

Dear Steve:

Thank you for providing the Department of Retirement Systems (DRS) with advance copies of the bills the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board may introduce in the next legislative session. There is one issue we would like to comment on at this time.

Draft bill, Z-0188.1/05 is designed to permit members of LEOFF Plan 2 to make a one-time purchase of additional service credit at the time of retirement. As you recall, this proposal is similar to the benefits provided to members of PERS and SERS by the passage of House Bill (HB) 2535 during the 2004 legislative session. This bill was part of a policy package that included the creation of PSERS, and the implementation date of both proposals is July of 2006. A similar bill will be introduced to the legislature this year to include the Teachers' Retirement System, and the proposed implementation date of that bill is also July of 2006. The draft legislation you provided did not include an implementation date.

We suggest that you include an implementation date of July of 2006, to match the date of the other proposals. The Department's desire when implementing all legislation is to create administratively efficient system changes and provide clear, concise communication to members about the impacts and benefits. It would be necessary for the Department to create a combination of manual and automated processes in order to comply with an implementation date prior to July 2006 for LEOFF Plan 2. If the changes for the LEOFF Plan 2 members are included with our efforts to implement the changes for PERS, SERS, and TRS, the administrative costs for your bill would be significantly less, and we believe the end product would better serve the needs of your members.

Thank you for the opportunity to present this issue for your consideration in drafting the bill. If you have any questions or need clarification on these issues, please feel free to contact Dorothy Bailey at 664-7069.

Sincerely,

John F. Charles
Director